

VZCZCXRO3434  
OO RUEHDE RUEHDIR  
DE RUEHRH #2056/01 2801306  
ZNY CCCCC ZZH  
O 071306Z OCT 07  
FM AMEMBASSY RIYADH  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6694  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC IMMEDIATE  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY  
RUEHHH/OPEC COLLECTIVE PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUEKDIA/DIA WASHINGTON DC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 002056

SIPDIS

SIPDIS

DEPT OF ENERGY PASS TO A/S KHARBERT, DAS AHEGBURG,  
MWILLIAMSON, GPERSON, AND JHART  
EB/ESC FOR SGALLOGLY AND MMCMANUS

E.O. 12958: DECL: 09/17/2017  
TAGS: [EPET](#) [ENRG](#) [ECON](#) [SA](#)  
SUBJECT: NOVEMBER OPEC SUMMIT IN RIYADH

Classified By: Economic Counselor Robert Barry  
Murphy for reasons 1.4 (b) (c) and (d).

11. This is an action request. DOE/International Policy and  
EB/ESC please see paragraphs five and nine.

-----  
Summary  
-----

12. (C) On September 30, Energy Attache and DOE Officer met  
with Advisor to the Minister of Petroleum and Mineral  
Resources (MinPet) and Director of Public Relations Dr.  
Ibrahim Al-Muhanna. The conversations focused on upcoming  
OPEC events, major proposed U.S. investments, and the recent  
election of a new International Energy Forum  
Secretary. The Third OPEC Summit is planned for November

SIPDIS  
17-18, with an industry exhibit and symposium on the  
margins. Al-Muhanna expressed great confidence in Dow's Ras  
Tanura Integrated project, but was less optimistic  
about the prospects for ConocoPhillip's Yanbu refinery moving  
ahead. MinPet is pleased with the election of  
Dutchman Noe van Hulst as the new Secretary General of the  
International Energy Forum.

-----  
OPEC Events: Summit, Exhibit, Symposium;  
NPC Study Presentation Planned for Symposium  
-----

13. (SBU) The Ministry of Petroleum and Mineral Resources  
(MinPet) will host the Third OPEC Summit in Riyadh  
on November 17-18, 2007. While the USG would not be invited  
to participate in this OPEC-member only event,  
MinPet is planning two additional events to coincide with the  
summit, which will have wider participation and  
not be tied specifically to OPEC membership. MinPet will  
host an Industry Exhibit from November 14-16, with  
representation from major international industry. The MOP  
hopes for participation by Exxon, Chevron and  
ConocoPhillips. Shell and ExxonMobil have already told us  
they plan to exhibit. MOP is also planning a  
two-day Symposium on November 15 and 16. Cambridge Energy  
Research Associates (CERA) Chair Dan Yergin has  
been invited to speak. Min Pet indicated US Embassy  
representatives will be invited to the symposium and

industry event.

-----  
Symposium to Highlight NPC Study  
-----

14. (SBU) MinPet has arranged for ExxonMobil secondee and National Petroleum Council (NPC) Study lead Allan Kelly to make a presentation on the NPC's recently-published study, during the symposium on the margins of the OPEC Summit. Al-Muhanna praised the NPC study, saying that it shows the "reality of the market" and is "well balanced and very logical". He also expressed his hope that the study would be updated every 4-5 years.

15. (C) Action Request: The political optics of a Secretary of Energy's National Petroleum Council Study being presented the margins of an OPEC conference are, at a minimum, unusual. ExxonMobil has little realistic choice other than to comply with MinPet's request to make Allan Kelly available for this presentation. Post requests that DOE/International Policy and EB/ESC indicate if they have any specific guidance on handling this situation. Post will otherwise proceed with plans to attend the symposium and industry exhibit at the working level.

-----  
Major US Projects Update: Thumbs Up for Dow,  
ConocoPhillips More Uncertain  
-----

16. (C) Moving on to updates of pending major US projects, Al-Muhanna expressed his confidence in Dow's Ras Tanura Integrated Project" (RTIP), and stated that, "barring any

RIYADH 00002056 002 OF 002

unforeseen developments," the project will move forward as planned. (Note: US firm Dow Chemical and Saudi Aramco signed an MOU for RTIP on May 12, 2007. End note.) He indicated a public statement on this project would come early next year. Al-Muhanna is far less optimistic about the ConocoPhillips/Saudi Aramco Yanbu export refinery project, and said that Saudi Aramco had not yet formally forwarded materials on this project to MinPet. However, there are clearly concerns with the cost structure circulating around MinPet. When asked about introducing this project to the MinPet, Al-Muhanna said that it would be best to plan for a high-level courtesy call, such as a November meeting between the Minister of Petroleum Naimi and ConocoPhillips CEO Jim Mulva. Post has advised COP management of this advice.

-----  
Possible Secretary of Energy visit  
-----

17. (C) Al-Muhanna expressed great interest in the prospect of a visit to the region by Department of Energy Secretary Samuel Bodman, and proposed a bilateral discussion with Petroleum Minister Ali Al-Naimi as a possible anchor for this visit. In terms of timing, Al-Muhanna indicated a visit during the first two weeks in December would be well-received.

-----  
New Secretary of the International Energy Forum  
-----

18. (C) The Executive Board of the Secretariat of the International Energy Forum (IEF) selected Mr. Noe van Hulst as its new Secretary General on September 3 at the IEF's meeting in Riyadh. Mr. van Hulst, a Dutch national, is presently serving as Director of the Long-term Cooperation and Policy Analysis Office of the International Energy Agency. Mr. van Hulst will succeed Ambassador Arne Walther,

whose tenure as the first Secretary General of the IEF comes to an end on November 30, 2007. Al-Muhanna stated that van Hulst had been strongly supported by the Dutch government, an important point in favor of his candidacy. He indicated the SAG had not viewed the Russian candidate as technically well-qualified. In light of the differences in their technical competencies, Al-Muhanna was surprised van Hulst won by only one vote, and took this as a measure of the influence the Russian delegation was able to bring to bear in the IEF election.

¶9. Action Request: Al-Muhanna also requested that DOE revisit the issue of another contribution for the IEF. Post agreed to relay this request. While recognizing that IEF funding is an on-going issue, Post requests a DOE response in light of the appointment of a new Secretary General, and the arrival of a new fiscal year.

FRAKER